



datalab

Unaudited Interim Financial
Report And Unaudited
Consolidated Financial Report

for the period from 1 July 2011 to 31 December 2011

Table of Contents

1. OVERVIEW	3
1.1 Key Financial Information and Ratios of Datalab Tehnologije, d. d.	3
1.2 Information about Shares	4
2. REPORT OF THE EXECUTIVE DIRECTOR	6
3. Chairman of the Board's Report	8
4. COMPANY PRESENTATION	9
4.1 General Information	9
4.2 Personnel Make-Up	9
5. BUSINESS REPORT	11
5.1 Sales	11
5.1.1 Slovenia	14
5.1.2 Croatia	15
5.1.3 Bosnia and Herzegovina	16
5.1.4 Serbia	17
5.1.5 Datalab Automotive, d. o. o. – Serbia	17
5.1.6 Montenegro	18
5.1.7 Kosovo	18
5.1.8 Macedonia	19
5.1.9 Bulgaria	20
5.1.10 Other Markets	20
5.2 Notable Events in the First Half of the Fiscal Year 2012	21
6. FINANCIAL REPORT	22
6.1 Management's Statement of Responsibility	22
6.2 Operating Results of Datalab Tehnologije, d. d., for the Period from 1 July 2011 to 31 December 2011	23
6.2.1 Operating Results of Datalab Tehnologije, d. d., for the Half-Year Ended 31 December 2011 Compared to Last Year to Date	25
6.3 Balance Sheet of Datalab Tehnologije, d. d., as of 31 December 2011	28
6.3.1 Balance Sheet of Datalab Tehnologije, d. d., as of 31 December 2011	30
6.4 Consolidated Operating Results of the Datalab Group of Companies for the Period from 1 July 2011 to 31 December 2011	33
6.4.1 Consolidated Operating Results of the Datalab Group of Companies for the Half-Year Ended 31 December 2011 Compared to Last Year to Date	33
6.5 Consolidated Balance Sheet of the Datalab Group of Companies as of 31 December 2011	37
6.5.1 Consolidated Balance Sheet of the Datalab Group of Companies as of 31 December 2011	38

1. OVERVIEW

1.1 Key Financial Information and Ratios of Datalab Tehnologije, d. d.

	H1 of FY 2012 in euros	H1 of FY 2011 in euros	Index 11/10
Key financial information			
Gross operating income	1,599,928	1,706,541	94
Operating profit/loss before taxes	168,977	199,707	85
Net operating profit/loss for the fiscal year	168,977	199,707	85
Net cash flow (profit + depreciation)	637,922	598,231	107
Balance sheet total	6,054,597	6,155,011	98
Fixed assets	5,113,244	4,767,432	107
Current assets	941,353	1,387,579	68
Equity	3,319,805	3,032,300	109
Long-term liabilities and provisions	1,505,146	1,537,260	98
Short-term liabilities and accrued costs and deferred revenue	1,229,646	1,585,451	78
Ratios			
Total profit/operating revenue in %	10.56	11.70	90
Total profit/equity in %	5.09	6.59	77
Net profit/equity in %	5.09	6.59	77
Net profit/share in euros*	0.10	0.12	83
Equity/balance sheet total in %	54.83	49.27	111
Liquidity (short-term assets/short-term liabilities and accrued costs and deferred revenue) in %	76.555	87.52	87
Number of users	23,302	19,940	117
Number of companies	7852	6390	123
Number of employees in the Group	128	101	127

1.2 Information about Shares

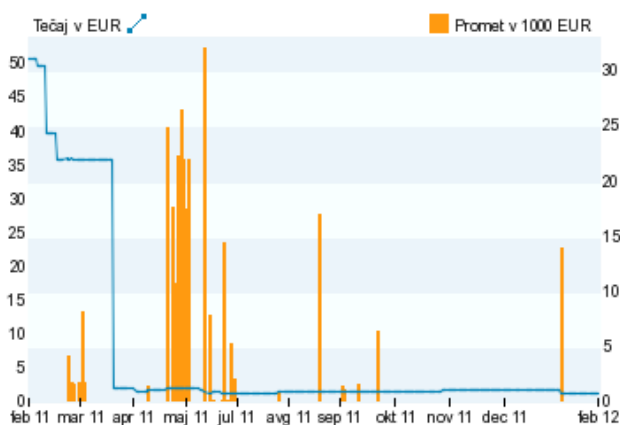
	31 Dec 2011	30 Jun 2011	Index 31 Dec 2011/ 30 Jun 2011
No. of issued common shares	1,673,085	1,673,085	100
– of that purchased shares	27,101	27,887	97
Book value of share on the last day of the fiscal year in euros (equity/no. of issued common shares)	1.98	1.88	105
Market price of share at the Ljubljana Stock Exchange			
Highest share price in the period from 1 July 2011 to 31 December 2011 (in euros)	2.00	3.67	54
Lowest share price in the period from 1 July 2011 to 31 December 2011 (in euros)	1.44	1.44	100
Average share price in the period from 1 July 2011 to 31 December 2011 (in euros)	1.71	3.05	56
Share price on the last trading day in the year (in euros)	1,89	1,44	131
Market value of equity in euros (no. of issued common shares × share price on the last trading day in the year)	3,162,131	2,409,242	131
Return per share in the period in euros (share price on 31 Dec 2011 / share price on 30 June 2011)	1.31	0.39	336
Rate of return per share in the period in euros (share price on 31 Dec 2011 / share price on 30 June 2011)	0.45	-2.23	
P/BV (share average market price/share book value)	0.86	1.62	53



Price of Datalab shares and trading volume.

Note: between 15 and 30 March 2011, Datalab's stock was split 15-for-1.

Price of Datalab shares compared to the SBITOP index for the period from 1 May 2011 to 31 December 2011. Except for blue chips, the Ljubljana Stock Exchange was dormant for most of the year, which is also reflected in Datalab's shares. Source: LJSE



	SI		146	HR		122	BA		97	RS		112	MN		113	MK		138	BG		Subsidiaries total				
	H1 FY 12	H1 FY 11		H1 FY 12	H1 FY 11		H1 FY 12	H1 FY 11		H1 FY 12	H1 FY 11		H1 FY 12	H1 FY 11		H1 FY 12	H1 FY 11		H1 FY 12	H1 FY 11	H1 FY 12	H1 FY 11	H1 FY 12	H1 FY 11	Index
A. Net revenue	791,184	543,054		319,614	262,432		251,539	258,487		304,877	272,235		78,417	69,677		165,467	119,498		12,066	19,268		63	1,923,164	1,544,651	125
I. Sales in the domestic market	767,388	537,237	143	271,914	243,507	112	250,941	258,065	97	289,305	261,756	111	78,417	69,677	113	121,584	50,840	239	12,066	19,268	63		1,791,615	1,440,350	124
1. Net revenue from sales in the domestic market, excluding rent	767,388	537,072	143	271,914	243,507	112	250,941	258,065	97	289,305	261,756	111	78,417	69,677	113	121,584	50,840	239	12,066	19,268	63		1,791,615	1,440,185	124
a. License fees	212,230	206,702	103	121,871	146,338	83	110,246	153,368	72	199,657	183,367	109	40,369	46,402	87	74,379	28,484	261	2,446	8,050	30		761,198	772,711	99
b. Software upgrades	358,846	262,359	137	122,113	81,277	150	90,425	60,809	149	68,549	53,492	128	23,861	3,943	605	19,677	5,635	349	2,771	3,315	84		686,242	470,830	146
c. Membership fees	22,500	21,973	102	8,699	10,286	85	8,937	6,462	138	10,260	13,100	78	90	180	50	1,619	859	188	697	570	122		52,802	53,430	99
d. Services	81,780	15,234	537	12,424	135	9,202	27,611	26,218	105	8,104	3,571	227	13,807	18,689	74	25,909	15,862	163	5,318	6,590	81		174,953	86,299	203
e. Marketing	6,106	300	2,035	5,262	5,233	100	3,819	5,555	69	448	5,154	9	0	0	0	0	0	0	0	0	0		15,635	16,242	96
f. Training and certification	31,723	0	0	1,545	238	649	7,133	4,692	152	2,287	3,072	74	290	463	62	0	0	0	600	743	81		43,578	9,208	473
g. Hosting services	54,203	24,239	224				0	0	0	0	0	0	0	0	0	0	0	0	234	0	n/a		54,437	24,239	225
h. Other	0	6,265	0				2,770	961	288	0	0	0	0	0	0	0	0	0	0	0	0		2,770	7,226	38
2. Net revenue from rent	0	165	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	165	0
III. Net sales in foreign markets	23,796	5,817	409	47,700	18,925	252	0	0	0	15,572	10,479	149	0	0	0	43,883	68,658	63	0	0	0		130,951	103,879	126
a. License fees	13,401	4,384	306				0	0	0	1,450	562	258	0	0	0	6,406	40,880	15	0	0	0		21,257	45,826	46
b. Software upgrades	3,013	1,405	214				0	0	0	2,034	437	465	0	0	0	472	0	0	0	0	0		5,519	1,842	300
c. Membership fees	0	0	0				0	0	0	0	0	0	0	0	0	405	2,091	19	0	0	0		405	2,091	19
d. Services	0	28	0				0	0	0	0	0	0	0	0	0	11,818	0	0	0	0	0		11,818	28	42,207
e. Marketing	0	0	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	
f. Training and certification	7,382	0	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		7,382	0	
g. Work for the corporation	0	0	0	47,700	18,343	260	0	0	0	11,685	9,480	123	0	0	0	24,782	25,687	96	0	0	0		84,167	53,510	157
h. Other	0	0	0				0	0	0	403	0	0	0	0	0	0	0	0	0	0	0		403	0	
H. Expenses	827,783	540,953	153	304,671	259,526	117	244,445	291,546	84	339,824	295,806	115	72,221	60,272	120	158,571	127,665	124	31,725	31,995	99		1,979,240	1,607,763	123
I. Cost of materials and services	501,306	401,803	125	198,124	170,647	116	106,393	93,735	114	235,853	216,608	109	35,381	25,346	140	85,437	58,451	146	9,710	7,708	126		1,172,204	974,298	120
1) License fees	355,177	281,789	126	118,314	81,824	116	34,653	38,115	91	111,293	109,849	101	23,477	13,229	115	37,741	19,907	189	2,201	4,336	51		682,856	549,049	124
2) Rent	18,469	16,044	115	7,354	7,360	100	10,438	7,973	131	9,668	8,338	116	3,600	3,600	100	5,725	3,840	149	1,348	0	n/a		56,602	47,155	120
4) Cost of services	123,199	102,018	121	1,779	869	205	51,427	101,965	50	112,559	96,769	116	8,040	8,248	97	39,369	32,867	119	2,742	2,787	98		339,115	345,523	98
j) of that cost of sales	33,687	54,538	62	70,677	80,594	88	16,873	30,428	55	1,374	2,790	49	0	0	62	15,020	22,800	65	0	0	n/a		137,631	191,150	72
II. Labor costs	316,126	139,150	227	100,906	85,185	119	64,722	67,398	96	89,939	75,508	119	36,840	34,926	105	68,802	62,260	110	21,207	23,117	92		698,542	487,544	143
J. Financial revenue	547	5		270	1,045	26	268	2,490	11	3,438	2,401	143	0	0	0	79	848	9	4	191	2		4,606	6,980	66
K. Financial expenses	435	21		2,552	1,417	181	184	3,882	5	14	16	88	258	2,700	10	835	1,004	83	366	6	6,100		4,644	9,046	51
V. Net profit/loss for the period	-35,346	2,087	n/a	12,717	2,534	502	8,430	-30,814	n/a	-12	-35	33	5,938	6,705	88	6,624	-6,966		-20,277	-12,542	162		-21,926	-39,031	56

Table with revenue and expense by subsidiaries for this half-year (1 July 2011 to 31 December 2011) and the first half-year of the previous fiscal year (1 July 2010 to 31 December 2010) in euros.

Notes: 1) The Slovenian market had been covered by Datalab Tehnologije, d. d., before August 2010 when the subsidiary Datalab SI was founded, that is why revenue for Slovenia for that period uses data of Datalab Tehnologije, d. d. 2) Revenue from RLGS remains with Datalab Tehnologije, d. d., to simplify accounting procedures, that is why it is included under revenue in Slovenia and added towards operating profit. 3) The Bulgarian subsidiary is part of the group only since September 2011 and the data presented here serves only as a guide. 4) Expenses are broken down into significant groups and not everything is presented here, therefore the individual items do not add up to the totals.

2. REPORT OF THE EXECUTIVE DIRECTOR



It is our mission to facilitate the use of a cost-efficient business IT system on a worldwide level, and to provide this service to even the smallest businesses, thereby simplifying their operations, helping them to become more competitive, enhancing their chances for survival, and turning their data into profit.

Sales: In the period from 1 July to 31 December 2011, the Datalab Group made a gross operating income of 2,645,618 euros, which is 7.29% more than in the same period last year, whereby sales increased by 11%. Looking at key markets and key product groups in the domestic and foreign markets, one can see the following:

- license sales remained roughly the same compared to last year (index 96) at 782,455 euros, despite aggressive discounts to new customers;
- revenue from software upgrades increased by 46% and amount to 691.7612 euros;
- membership fees remained the same (index 99) at 53.207 euros, which means that the lower number of consultants has been successfully compensated for;
- revenue from services has increased significantly by 116% to an amount of 186.771 euros;
- revenue from marketing is with 15.635 euros at 96% of last year;
- revenue from training and certification (Datalab Academy) increased by 453% to 50.960 euros;
- revenue from hosting services (cloud computing) increased by 125% to 54.437 euros;
- other revenue is insignificant.

Software development intensity remains high and at the same level as in the previous year. **Capitalized own products and services** amount to 690,000 euros at the middle of the fiscal year.

Subsidies, grants, allowances, compensations and other revenue associated with products and services include the subsidy of the Slovenian Ministry of Higher Education and Technology for developing an ecosystem for e-business in SMEs (project *Feniks*). This income was financed in the amount of 48,278 euros, which is proportional with the cost of depreciation of the *Feniks* project. For the remainder of the approved subsidy, long-term allocations in the amount of 201,834 euros (still unused) have been established to cover the proportional part of depreciation costs in the next three years. Another subsidy in the amount of 6,640 euros was awarded by JAPTI for the expansion to Albania. This item increased by 23.36% compared to the same period in the previous year.

Operating expenses in the period amounted to 2,479,668 euros and are higher by 9.13% compared to the same period in the previous year. For the parent company (Datalab Tehnologije, d. d.), the amounted to 1,433,096 euros, which is 80,794 euros less, mostly due to lower labor costs. On 1 January 2011 (after receiving a statement from the Ministry of Finance about employee sharing schemes for subsidiaries under the Financial Participation Act), all employees covering operations in Slovenia have been reassigned to newly founded subsidiary Datalab SI, d. o. o., therefore labor costs in the comparative previous period still contain labor costs of those employees (-21.54%). Costs of depreciation have increased by 17.67%. For better debt collection and due to the transfer of sales operations to Datalab SI, d. o. o., revalued operating expenses associated with current assets (receivables) have significantly decreased and are lower by 93.51 pp.

The subtotal of **financial revenue and expenses** is negative (-2,582 euros) mostly because of the inability to provide customers with long-term financing and consequently the inability to generate interest margins. Financial expenses are higher by 6.67% compared to the previous period.

The total **operating profit** of the Datalab Group amounts to 156,485 euros, compared to the previous period's 187,158 euros. The difference is mostly due to higher accounted depreciation, which is up by 70,421 euros, and higher costs of services, mostly in marketing. It is estimated that no tax on profit will need to be paid, because the company will claim tax reliefs for investing into the development of PANTHEON.

Equity and loan capital

Despite completing due diligence and preparing documentation, negotiations about the entry of a strategic partner are postponed by mutual agreement due to unstable financial markets in 2011.

The group increased its debt with banks, mostly long-term debt, achieving a long-term assets to long-term liabilities ratio of 94%.

Personnel and organization

Profit centers are being introduced in subsidiaries (Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Macedonia). Furthermore, direct sales and Service Desk operations are being introduced.

IT-supported business is becoming essential and we have the best starting points to become market leaders!

Ljubljana, 26 February 2012

Andrej Mertelj,
Executive Director

3. CHAIRMAN OF THE BOARD'S REPORT

The Executive Board held six meetings and adopted two decisions by correspondence.

At its **20th regular meeting** on 5 July 2011, the Board:

- named Mr. David Čeplak director of Datalab SI, d. o. o.,
- named Mr. Tihomir Stričević director of Datalab Croatia and agreed to establish a branch in Zagreb,
- named Mr. Igor Sigmundović Chief Operations Officer,
- agreed to buy a 50% stake in Datalab Bulgaria,
- passed the decision about internal reorganization of subsidiaries into profit centers and about formation of supervisory boards in subsidiaries,
- addressed the information about closing accounts for the period from 1 July 2010 to 30 June 2011,
- addressed the preparation of an economic plan for the following year and for the next five years.

At its **21st regular meeting** on 23 August 2011, the Board took note of the continuation of capital increase negotiations.

At its **22nd regular meeting** on 23 September 2011, the Board took note of the continuation of capital increase negotiations and agreed to the proposed valuation. The Board also took note of problems with the partnership with Blue Soft, d. o. o., and authorized the Executive Director to continue negotiations. The Board reviewed the unaudited financial statements of Datalab Tehnologije, d. d., and Datalab SI, d. o. o., and adopted the decision to publish the Board's findings in SEOnet, the public announcement system of the Ljubljana Stock Exchange.

A correspondence meeting adopted the decision to start transitioning Datalab Serbia to the same fiscal year as the parent company, i.e. from 1 July to 30 June, and agreed that the company ENIAC, d. o. o., withdraws from Datalab BH, d. o. o., and transfers its stake without compensation to its founder Mr. Nedim Pašić.

At its **23rd regular meeting** on 3 November 2011, the Board:

- reviewed and approved the annual report of Datalab Tehnologije, d. d., for the period from 1 July 2010 to 30 June 2011,
- adopted the decision to allocate 20% of the consolidated profit of Datalab Tehnologije, d. d., for profit sharing in the form of company shares for employees of Datalab Tehnologije, d. d., and Datalab SI, d. o. o., and 10% of the consolidated profit for bonuses to the Executive Board,
- took note of the preparations for the shareholder meeting of Datalab Tehnologije, d. d.

At the **24th regular meeting** on 10 December 2011, executive directors of all subsidiaries were present (except directors of Datalab Montenegro and Datalab Bulgaria) as well as Mr. Matt Mayfield, sales consultant to the Executive Director. The following issues were addressed:

- undersigning of an annex to the contracts with subsidiaries, stipulating that purchase prices of licenses and software upgrades are relative to how much of the plan has been achieved;
- managing directors' reports and improvement suggestions for individual fields of business;
- presentation of measures for more effective sales by Mr. Mayfield;
- review of current results and announcement of the steps to undertake in order to achieve the planned results for the fiscal year from 1 July 2011 to 30 June 2012.

At its **25th regular meeting** on 13 January 2012, the Board approved the short and long text of the call to the shareholder meeting of Datalab Tehnologije, d. d., and called the shareholder meeting for 27 February 2012.

Ljubljana, 26 February 2012

Lojze Zajc
Chairman of the Executive Board
and Chairman of the Audit Committee

4. COMPANY PRESENTATION

4.1 General Information

Short name: Datalab, d. d.

Long name: Datalab Tehnologije, družba za razvoj poslovno-informacijskih sistemov, d. d.

Registration: The company is registered at the District Court in Ljubljana under the number 03/06489 (Nov 21, 2003), application number 138651000.

Type of organization: Public Limited Company

Share capital: 1,965,441.28 euros

Company Registration Number: 1864629

Tax Number: SI87965399

Industry Code: 58.290 – Other software publishing

Bank accounts:

IBAN SI56 2420 3906 2687 181, Raiffeisen Krekova banka d. d., Ljubljana

IBAN SI56 0201 0025 6382 412, Nova Ljubljanska banka d. d.

IBAN SI56 0600 0010 0049 106, Banka Celje d. d.

Address: Koprška ulica 92, SI-1000 Ljubljana, Slovenia

Telephone: +386 1 252 89 00

Fax: +386 1 252 89 10

E-mail: info@datalab.si

Website: www.datalab.si (Slovene language) / www.datalab.eu (English language)

4.2 Personnel Make-Up

Despite the current economic situation, the number of employees in the Group has increased by 20% on average. Especially the subsidiaries in Bosnia and Herzegovina, Serbia and Macedonia stand out. Sales and support teams are getting stronger. The situation on labor market makes staffing somewhat easier as there are more candidates to choose from.

A significant change in personnel make-up for the Slovenian market is due to more people in software development, mostly of new products.

Personnel make-up in Slovenia

Department	31 Dec 2011	1 Jul 2011
Board	3	3
Sales	7	6
Development	28	21
Marketing	2	3
Accounting	4	3
Administration	2	4
DL Academy	1	1
Director of DL SI	1	0
Service Desk	4	4
PSS	6	8
IT	2	1
Total	60	54

Type of employment	Companies																Group	
	DL HQ		SI		HR		BA		SR		BG		MN		MK			
	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11
Employees	35	27	13	11	11	8	11	12	9	8	4	3	6	6	15	8	104	83
Regular associates	4	7	4	1			2										10	8
Contract workers	1			1					4	2							5	3
Students			3	7			6										9	7
Total	40	34	20	20	11	8	19	12	13	10	4	3	6	6	15	8	128	101

Education	Companies																Group	
	DL HQ		SI		HR		BA		SR		BG		MN		MK			
	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11	31 Dec 11	1 Jul 11
Primary school																		
Vocational school		1	1														1	1
Middle school	16	13	10	14		3	7	1	2	2							35	33
Vocational college	4	6	4	2	2		8	4	5	5			3	1			26	18
University	18	13	5	4	9	5	4	7	6	3			2	4	15	8	59	44
Master's degree	2	1									4	3	1	1			7	5
Doctor's degree																		
Total	40	34	20	20	11	8	19	12	13	10	4	3	6	6	15	8	128	101

The table about personnel make-up of the Group by **type of employment** shows that the number of employees has increased in the period from 1 July 2011 to 31 December 2011. A change in the **education** structure of employees is also evident. It can be seen that the number of employees with higher education has increased in this half-year: the four highest education levels in the group have increased by approx. 28%.

5. BUSINESS REPORT

5.1 Sales

Sales in the beginning of the fiscal year 2012 were still heavily affected by the recession in all markets. Lower domestic spending, political crisis, less funding from banks, lower credit ratings, etc.

The credit crunch and lack of investments show in license sales, while price pressures affect the ecosystem's revenues from software upgrades, maintenance and services.

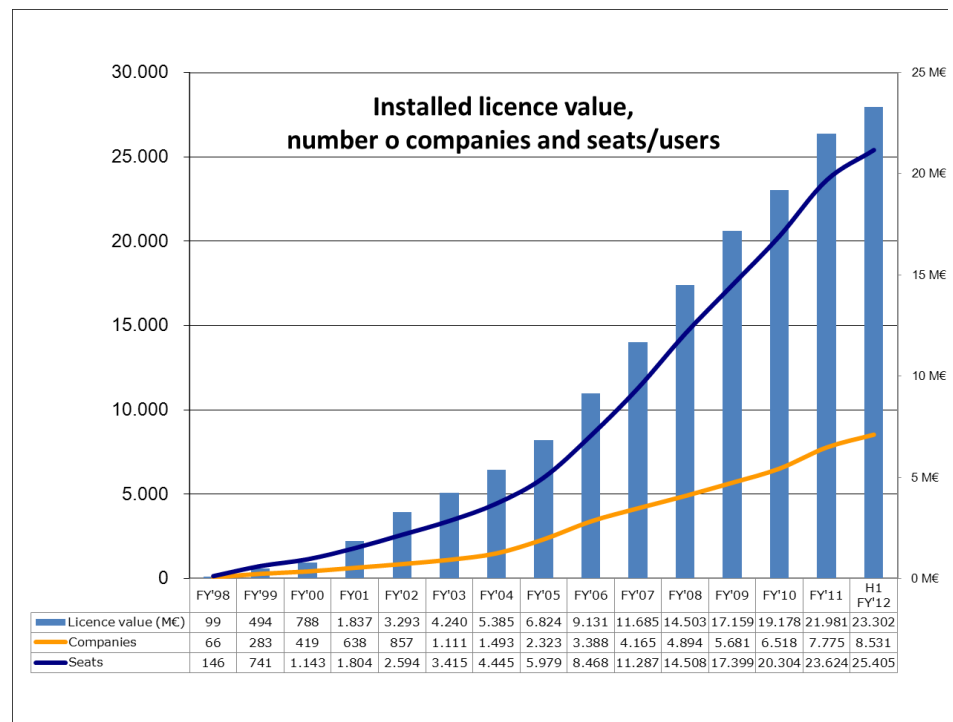
In the period in question, the Datalab Group made a gross operating income of 1,885,450 euros, which is 110.52 % of the income in the last year to date.

Sales in the domestic market (or, to put it correctly, **domestic markets**, which includes all markets with subsidiaries) have increased by 114.61% to 828,471 euros.

Lease agreements (payment in installments) have practically been cancelled due to the liquidity situation and inability to refinance. The company anticipates that lease contracts will be refinanced in cooperation with insurers and commercial banks in the 2012 calendar year. Upon signing a lease agreement, the lessee pays a 18% down payment, and Datalab immediately records the value of the license, and revenue from software upgrades and financing is recorded monthly until the agreement expires.

The majority of other income in the domestic market are membership fees paid by partners/representatives, income from marketing and training, and services billed to the Slovenian subsidiary.

Net sales:
 +25% companies in the Group
 +11% the Group consolidated
 License sales: -4%
 Software upgrade sales: +46%
 Services: +116%
 Hosting (cloud): +145%
 Marketing revenue: -4%
 Training: +453%

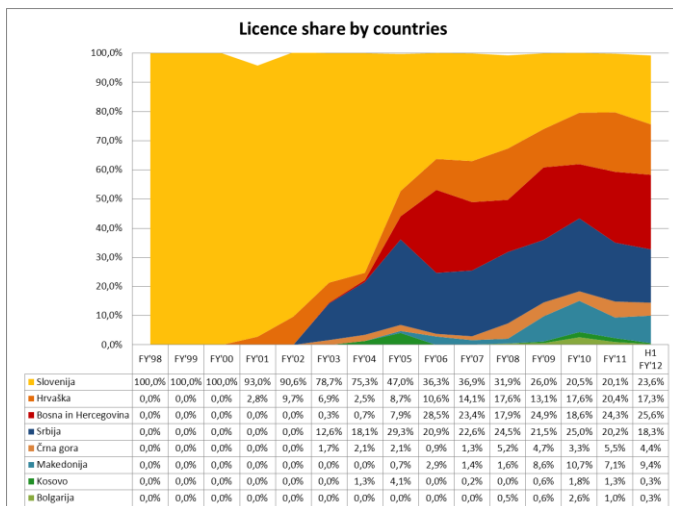
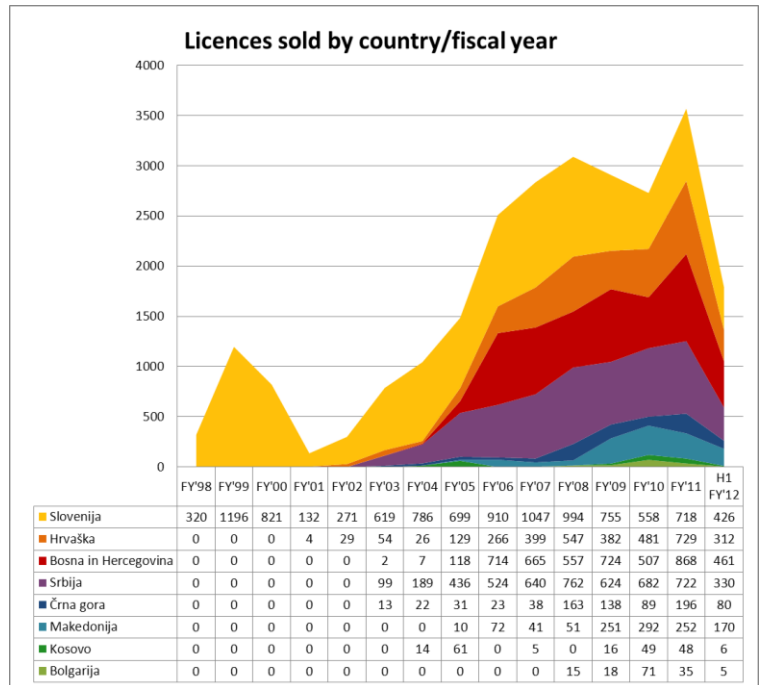


Sales in foreign markets consists of sales to subsidiaries in countries of Southeast Europe and others. A 7.43% increase was posted for non-EU markets and a 34.89% increase for EU markets. The turnover amounts to 1,056,979 euros.

A new system of partner positioning was introduced and has been accepted by partners, after initial resistance.

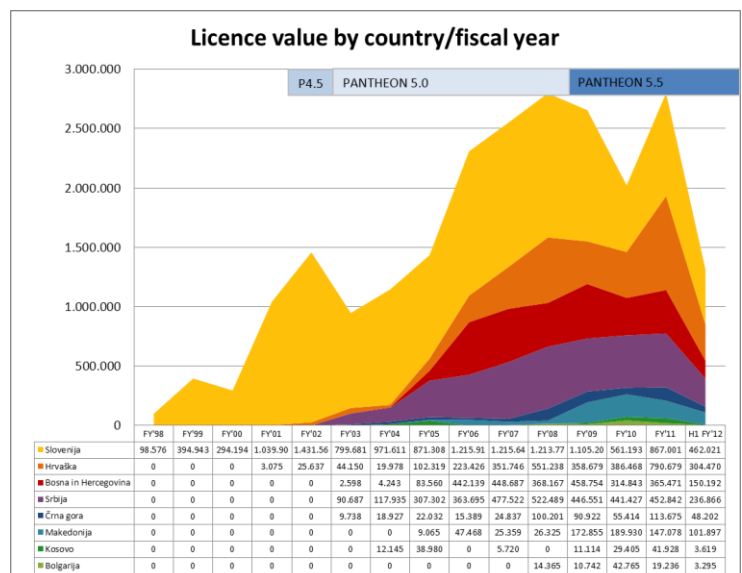
In the first half-year of the fiscal year 2012, 1804 licenses have been activated (10% less compared to last year). This is because of less activated licenses for partners and educational institutions, but the number of sold licenses of the low-end PANTHEON editions for micro-companies has increased, thanks to OEM contracts with fiscal printer vendors. The installed base's license value increased by 1,320,994 euros.

Chart: Distribution of sold licenses by numbers sold, years and countries.



The chart shows that license sales in the first half of FY 12 in Slovenia have slightly increased and represent 23.6% of all sales

Chart of sold license values by years and countries. A drop in sales is evident in the transitional years between PANTHEON 5.0 and 5.5, and then a rise of the new generation in the following years.



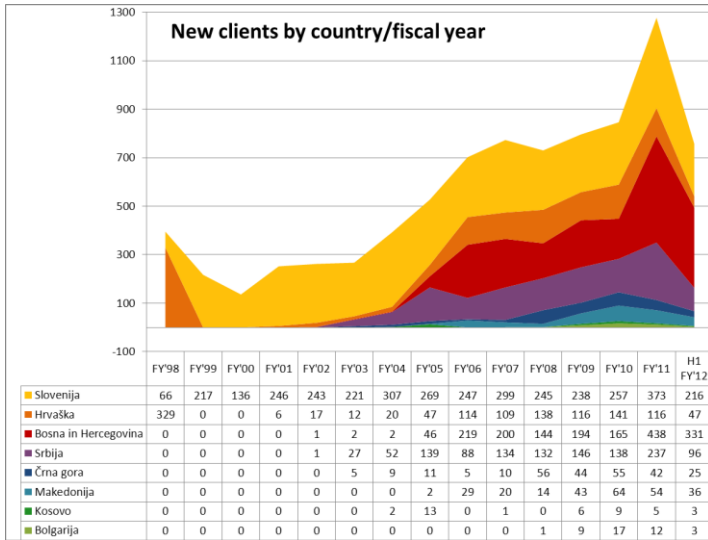
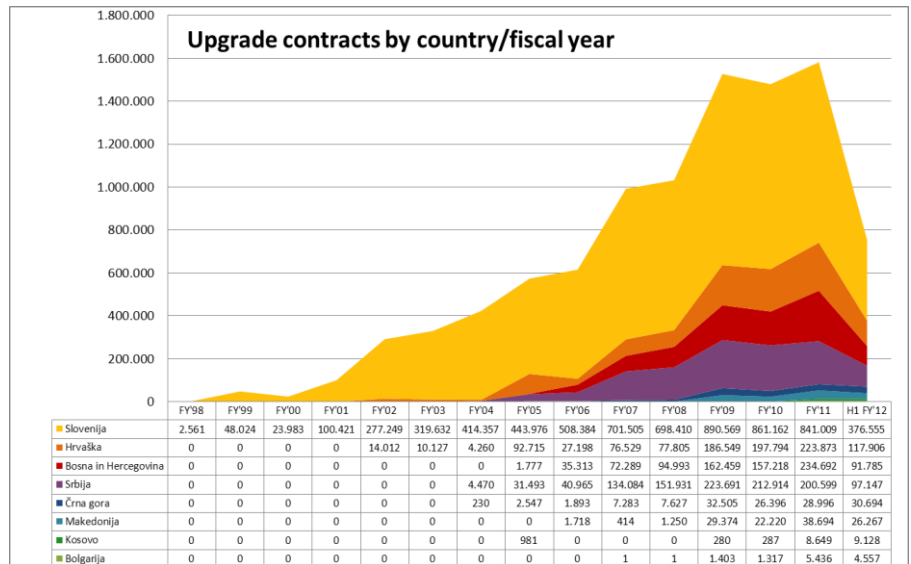


Chart of new companies by years and countries. In the first half of FY 12, the rise in Serbia came to a halt because of the discontinued cooperation with Blue Soft; Slovenia was growing thanks to Hosting; likewise Bosnia and Herzegovina (OEM, fiscalization) and Macedonia (direct sales).

Software upgrade sales are on the rise thanks to the new direct sales department. The guarantee for error-free upgrades is slowly getting recognitions by users. Additional services are well-accepted.

Gross value of sold software upgrades by years and countries.



Total revenue from membership fees remained roughly the same.

Payable escalations (substantiated Help Desk incidents) **and revenue from services have increased by 116%** and continue to rise in all markets. Services generated 186,771 euros in revenue.

Revenue from marketing was generated mostly from sponsors of Datalab's events, sales of web ad space on Datalab's web sites and joint marketing activities with partners, and has decreased by 4%, which is understandable.

Hosting services (cloud computing) that include the whole package (ERP system, upgrade, database server, backups, database administration) were in the first half of FY 12 still offered only in Slovenia, because data centers have not yet been established in other countries (because of low interest, incomplete orchestration, lack of administration resources). Judging by the experience in Slovenia, hosting is becoming increasingly interesting, as **revenue again increased by 145%**, which is still less than planned. The lag behind the plan is because accounting firms are slow to adopt this kind of solution and because of initial problems with scaling the software.

Let's take a closer look at sales by country:

5.1.1 Slovenia



David Čeplak, Managing Director of Datalab SI

In Slovenia, there are 10,252 installed licenses (+4%) in 3,580 companies (+6%). The total value of activated licenses, including Hosting, educational licenses and partner licenses in Slovenia, amounts to 12,542,534 euros (+4%).

Revenue of Datalab SI in the period amounts to 791,184 euros (+46%), but because Datalab SI started fully operating only in August 2011 the real increase is 31%.

In the first half of the fiscal year, 216 companies started using PANTHEON (373 in 2011) in a nominal value of 462,021 euros.

A total of 399 licenses were sold in the period (half-year trend shows +12%). A 3% increase in the value of sold licenses was achieved in the period, whereby this rather average increase is thanks to Hosting sales. Revenue from Hosting has increased by 124%. Licenses sold in Hosting have a market value of 160,000 euros. Total revenue growth in the period is mostly due to higher prices of software upgrades and a larger user base. Revenue from services amounts to 81,780 euros (+437%) in the period and is rising.

There have been several activities that helped boost revenue. Competitors tried to follow our moves, which again proves that Datalab is a big player, as its actions result in competitors' reactions.

The brand PANTHEON Professional is continuously being solidified and its features promoted with messages like *experience from eight countries, long-term solution, trusted by users, great support, large user and partner community*.

There are two main segments of the market. One is the saturated markets with no "available" customers, but only those that are changing their solution because of functional, financial or technical reasons. The other are accounting firms.

The Academy is performing above expectations. Especially successful was the PANTHEON Conference. The Academy will bring back certification as it was. Additionally, internal certification will be introduced.

In this period, five new Senior Expert partner and one Accounting partner joined the ranks. At the end of 2011, there were 5 Premium partner, 16 Senior Expert partners, 6 Accounting partners, and 6 Developer partners.

In the first half of FY 12, the partner network generated 181,325 euros with license sales (-13%). A positive growth is expected in the second half of FY 12.

The vision of *Partners from Competitors* (PfC) is the way, but more time and a more systematic approach are required. The basic PfC business model will need to be optimized and adapted to the situation on the market. This will allow consolidating the market even more than expected. What needs to be adapted to each situation is the expected transitional period of each PfC's clients.

Monthly expenses not associated with sales, except labor costs, are on average 60,000 euros (excluding partners' cost of



sales). Labor costs in the period on average amount to 49,000 euros, which includes all costs for services from Datalab Tehnologije, d. d., in the amount of 29,617 euros. This includes all contract work. This does not include bonuses for 2011 (ESOP in the amount of 17,723 euros), which are otherwise included in labor costs presented in the table (316,126 euros). The majority of labor costs are the PSS and support teams.

Companies that began using PANTHEON in FY 12 (Slovenia).

5.1.2 Croatia

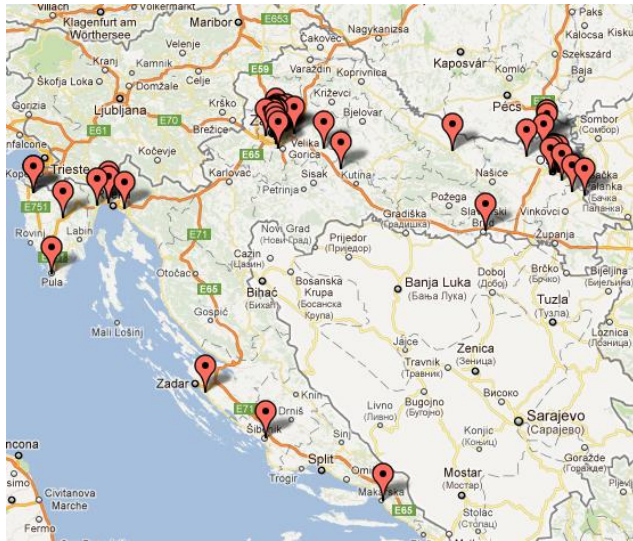


Tihomir Stričević, Managing Director of Datalab HR

In Croatia, there are 3358 installed licenses (+10%) in 1212 companies (+4%). The total value of activated licenses, including Hosting, educational licenses and partner licenses in Croatia, amounts to 3,161,865 euros (+11%).

Despite the continuing recession in Croatia, the necessary steps have been taken to stop the falling of revenue and the trend reversed in the second quarter, closing the first half-year with 22% more revenue than in the previous period.

The biggest success was in direct sales of software upgrades. Emphasis was placed on better organization and dedicating a person to take care of this important source of revenue. A 50% increase was posted. License sales have decreased to 53% compared to the previous first half-year, with 266 sold and 46 otherwise activated licenses. License revenue (the most from SE) achieved 83% compared to the same period last year. Most revenue came from the partner network, as direct sales (covering the micro segment) is not yet fully established.



We have started specifying partner competences for vertical solutions.

The *Partners from Competitors* program is continuing; we have signed a contract with the company Datalink, d. o. o., one of the largest accounting firms in Croatia that also develops their own ERP system.

The Academy has organized a one-day boot camp in Zagreb for the first time, primarily for partners and existing users.

Companies that began using PANTHEON in FY 12 (Croatia).

5.1.3 Bosnia and Herzegovina



Nedim Pašić, Managing Director of Datalab BH

In Bosnia and Herzegovina, there are 4623 installed licenses (+11 %) in 1742 companies (+23 %). The total value of activated licenses, including Hosting, educational licenses and partner licenses in Bosnia and Herzegovina, amounts to 2,638,654 euros (+6%).

Total revenue of Datalab BH in the period amounts to 262,124 euros, which is down by 2.69% compared to the same period last year. The most important part of revenue are software upgrades, which are up by 48.7%. The main reason for this is the introduction of direct sales and increased

demand due to fiscalization.

The second biggest share of revenue is made of license sales, which are down by 31.32%. This is because of aggressive discounts, flat-fee OEM licensing to fiscal printer vendors, and reduced investments into business software due to the recession, as most companies are busy with fiscalization (required by law) and try to have as little interruptions of operations as possible. 444 licenses have been sold in the period.

Sales of services are rising (+5.31%) and amounted to 27,611 euros.

Highly intensive marketing and sales activities were undertaken in the period in order to strengthen the PANTHEON brand in Bosnia and Herzegovina and boost results in the second half of FY 12, when larger clients are expected. Partnerships with accounting firms still present a large potential.

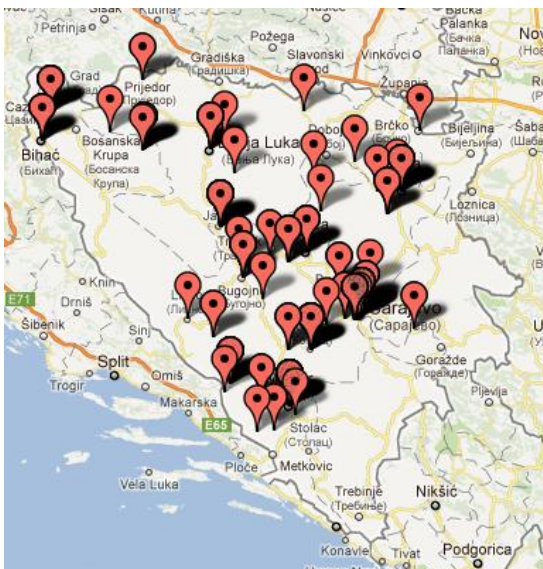
The Academy made the most of its resources. The most pressing problem is that the Academy has no own classroom, but getting one is planned for the second half of FY 12. In the future, focus will be placed on certification of partners and own PSS and Service Desk professionals. A PANTHEON Conference was held and another one is planned towards the end of FY 12.

The partner network grew by 2 new Senior Expert partners and 3 Accounting partners. At the end of the period, there were 2 Premium partners, 30 Senior Expert partners and 4 Accounting partners.

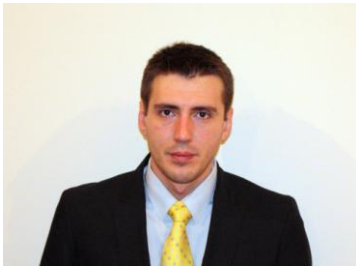
PfC activities gave limited results with the company Sampro, d. o. o., from Banja Luka, which is part of the Blue Soft group from Serbia. Based on the market situation, significant shifts are expected in the second half of FY 12, and even more in FY 13.

Monthly expenses on average amount to 24,300 euros, excluding the costs of licenses and partner commissions (variable costs). Of that, 44% are labor costs, most of which are the PSS and Service Desk teams, whereby the latter not only covers its own costs (labor, rent, calls), but also posted a moderate profit as a department in the first half-year.

Companies that began using PANTHEON in FY 12 (Bosnia and Herzegovina).



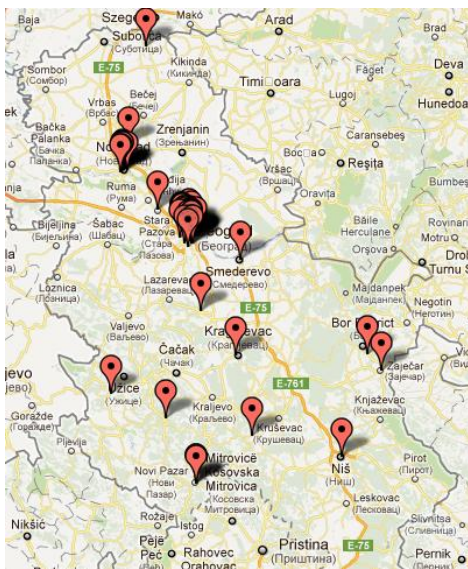
5.1.4 Serbia



Miodrag Ranisavljević, Managing Director of Datalab SR

In Serbia, there are 5008 installed licenses (+7%) in 1190 companies (+9%). The total value of activated licenses, including Hosting, educational licenses and partner licenses in Serbia, amounts to 3,457,316 euros (+7%).

Revenue in the first half of FY 12 has increased by 12%. Sales of new licenses are up by 8.88% (of that the Datalab Group with an index of 150, PfC because of the problems with Blue Soft only and index of 25). Sales of software are up by 28.14% compared to the same period last year. Considering the market situation in Serbia, this increase proves the excellent price/quality relationship, which is a key selling argument for business software in these times. Even though PANTHEON is intended chiefly for small and mid-size businesses, in Serbia it is a serious player for large businesses.



Focus was placed on improving the software and related services – direct sales and Service Desk (started in October 2011).

There are 47 registered consultants in 23 partner companies and 44 Accounting, Developer and Educational partners. But there is a significant grey market with PANTHEON services. A notable decline in the number of consultants was caused mostly by the termination of the partnership with Blue Soft, which brought most of last year's increase in consultants and partner companies; another cause is the economic situation in the country. For consultants, the focus is on increasing their knowledge.

Companies that began using PANTHEON in FY 12 (Serbia).

5.1.5 Datalab Automotive, d. o. o. – Serbia



Persida Pandurović, Datalab Automotive

The contract for providing the Renault reseller network in Serbia with an ERP system is being carried out in cooperation with the company Azelija. The project is proceeding as planned.

Note: At the end of the fiscal year 2011, Datalab only had a 25% stake in the company Datalab Automotive; its revenue represents a negligible part of the total, which is why its financial data was not consolidated or audited.

5.1.6 Montenegro

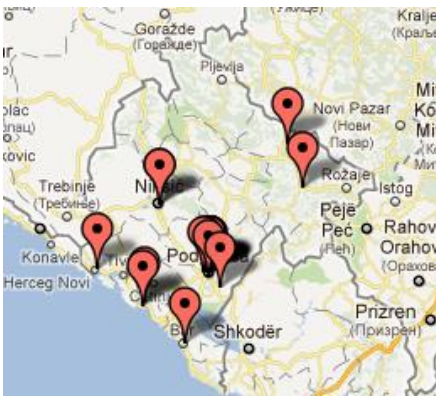


Danko Obradović, Managing Director of Datalab MN

In Montenegro, there are 793 installed licenses (+11%) in 262 companies (+11%). The total value of activated licenses, including Hosting, educational licenses and partner licenses in Montenegro, amounts to 499,337 euros (+11%).

Revenue amounted to 78,417 euros. 73 new licenses have been sold. Sales of services generated 13,807 euros. In the first half-year, focus was placed on achieving the plan; it is worth mentioning that we closed practically all deals we competed in, leaving the competition no room to breathe.

Marketing activities were focused on strengthening the PANTHEON brand, taking advantage of the fact that PANTHEON is present in the whole region.



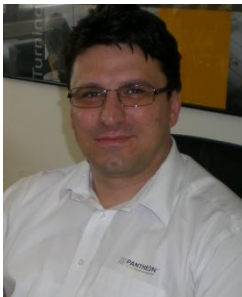
A key problem in Montenegro are companies that employ the services of (dated) accounting firms, effectively reducing our addressable market. Another problem is that companies' managements fail to see the importance of financial accounting and business information. One further problem is the idleness of partners who, despite cooperation contracts, are reluctant to invest into the necessary competences.

Average monthly expenses, including labor costs, amount to 5,896 euros; labor costs for 6 months amount to 36,840 euros.

For the second half of FY 12, an increase in sales of licenses and services are planned, as well as an increase in active software upgrades.

Companies that began using PANTHEON in FY 12 (Montenegro).

5.1.7 Kosovo



Sašo Jovanovski, Managing Director of Datalab MK, in charge of the Kosovo market

In Kosovo, there are 199 installed licenses (+3%) in 39 companies (+8%). The total value of activated licenses, including Hosting, educational licenses and partner licenses in Kosovo, amounts to 142,911 euros (+3%).

The Kosovo market posted very poor results in the period. Reasons are mostly the inactive partner network (two partners, of which only is somewhat active) and no direct sales.

Sales amounted to 6,406 euros, which is only 22.8% of the same period last year.

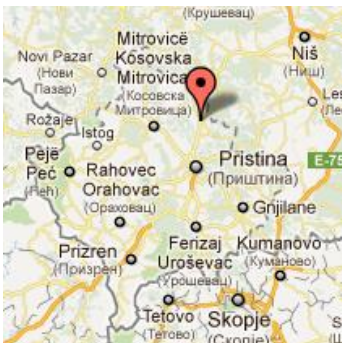
Focus was placed on implementation and services in order to keep good references with existing implementations and to build an image for future sales.

With hopes to boost sales, we started offering discounts for licenses towards the end of 2011, but the desired results were not achieved.

The Kosovo market remains heavily segmented, with very low demand for advanced IT services. Decisions for new software are made mostly based on personal trust, rather than product quality. An additional problem is wide-spread "double" accounting (official/unofficial) and issues related with it. This is slowly being remedied through fiscalization and stricter authorities.

Companies that began using PANTHEON in FY 12 (Kosovo).

Note: the Kosovo market is covered by one salesperson working in Datalab MK.



5.1.8 Macedonia



Sašo Jovanovski, Managing Director of Datalab MK

In Macedonia, there are 1.139 installed licenses (+18%) in 262 companies (+16%). The total value of activated licenses, including Hosting, educational licenses and partner licenses in Macedonia, amounts to 719.977 euros (+17%).

Revenue in the first half of FY 12 amounted to 162,467 euros (+38%).

Revenue grew mostly due to new license sales in Macedonia and more sold software upgrades and services (Service Desk).

The license sales index is 261 compared to the previous year for the domestic market (the profit/loss statement of Datalab MK includes operations in Kosovo – sales in foreign markets). This period continued the trend of excellent results with manufacturing companies; PANTHEON is no doubt the prime choice of users in this segment in Macedonia; this segment represents over 60% of our sales. Partners follow that trend.

Because sales of software upgrades were low, we started selling them directly. First, the department was staffed, followed by intensive courses performed by Datalab SI; after that, we started bringing users' attention to software upgrades. The total value of sold software upgrades amount to 19,677 euros (+249%).

We are sharing our experience with partners, thus catalyzing their sales. We use joint case studies and user testimonials.

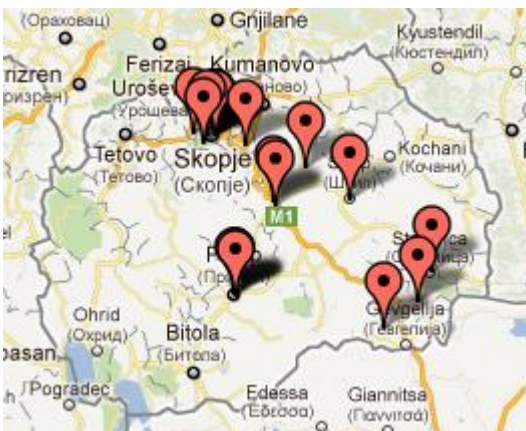
Some competitors started to follow us and began building their own brands; some others focused on cloud computing, but it has not been successful in Macedonia so far.

License sales to accounting firms are not encouraging. This segment is extraordinarily conservative and we were still not able to convince them of the advantages of state-of-the-art IT solutions, which they even consider as harmful. On the other hand, accounting firms are cannibalizing themselves by dropping their rates, which results in them not earning enough for investments.

The Academy focuses on increasing internal knowledge and organizing regional events together with partners.

PfC activities were intensified in the first half of FY 12, but concrete results are expected in the next period (preparations, training, etc.). The companies TrakonNet, Zonels and Gigabel seem very dedicated and we believe excellent results can be expected.

Revenue from services has increased by 63% compared to the same period last year.



Companies that began using PANTHEON in FY 12 (Macedonia).

5.1.9 Bulgaria

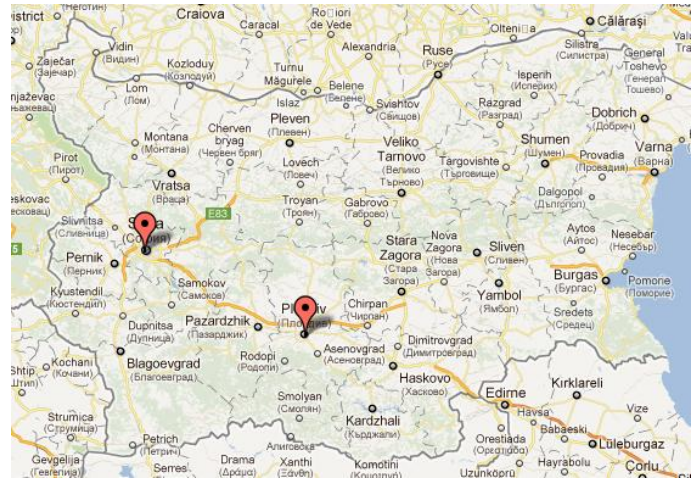


Masussia Margaritova, Managing Director of Datalab BG

In Slovenia, there are 144 installed licenses (+4%) in 42 companies (+8%). The total value of activated licenses, including Hosting, educational licenses and partner licenses in Bulgaria, amounts to 90,403 euros (+4%).

Companies that began using PANTHEON in FY 12 (Bulgaria).

Note: a stake in Datalab BG was acquired in September 2011; its results in the period are negligible for the totals, that is why it is neither consolidated nor audited.



5.1.10 Other Markets

A market potential analysis for Albania has been performed. There is no significant information about other markets.

5.2 Notable Events in the First Half of the Fiscal Year 2012

JULY 2011

- **Unaudited data from the balance sheet and profit/loss statement** for Datalab Tehnologije, d. d., and Datalab SI, d. o. o., were published.
- Talks with the other venture fund were started; within the following 60 days, economic, legal, tax and financial due diligences were completed.
- **Management changes:** David Čeplak became managing director of Datalab SI, d. o. o.; then managing director of Datalab Croatia Igor Sigmundović became Chief Operations Officer in Datalab Tehnologije, d. d.; the new managing director of Datalab Croatia became Tihomir Stričević, until then director of Excel Computers, Osijek.

SEPTEMBER 2011

- The **24,000th PANTHEON license** was sold on 14 September.
- The traditional **sailing trip** was organized, intended to strengthen the ties between partners and Datalab.
- Datalab was a silver sponsor at the **Accounting Week**, traditionally organized by the Institute of Accounting.
- **Talks with the venture fund** about valuation were continuing; the documentation about implementation was getting started; the possibilities about the suggested financial instrument were being sorted out.

OCTOBER 2011

- The **business cooperation with Blue Soft** that had started on 15 July 2010 was **terminated** on 5 October 2011.
- Datalab was the gold sponsor at the **Congress of Accounting Firms** in Portorož.
- A **boot camp for the manufacturing module** was organized for the whole Datalab group.
- Implementation documents for the capital increase were finalized, representations and warranties were specified, and the results of the first quarter were thoroughly reviewed.
- An **agreement** has been signed **with Renault Serbia** to implement PANTHEON with all their larger resellers.

NOVEMBER 2011

- The annual report was published on 10 November 2011 and a **conference for banks, investors, analysts and the press** was held on the next day, where the results of the previous year and the plans for the next year were presented. Thanks to Dnevnik, STA and NLB who attended the conference.
- Datalab donated two personal computers to a kindergarten in Tržič so that the children can learn the basics about computers.
- Co-funding of software development by the Ministry of Higher Education and Technology in the amount of 358,527 euros was approved on 17 November 2011. This co-funding is based on documented expenses; it is anticipated that the full amount will be returned by 30 May 2014.
- The **PANTHEON Conference for Accountants** was organized at the Ljubljana Exhibition Center on 25 November 2011. Over 300 people attended.
- On 29 November, it was agreed that the talks with investors are postponed indefinitely due the unstable financial markets (German bonds, doubts about the euro, etc.).

DECEMBER 2011

- Andrej Mertelj talked at the **Days of Entrepreneurship** at the Technology Park Ljubljana about his varied career.
- The **25,000th PANTHEON license** was sold on 19 December 2011. The Serbian company **The One** bought the license at Datalab's subsidiary in Serbia.

6. FINANCIAL REPORT

The notes that detail important accounting policies and explanatory information are identical to those in the Datalab Tehnologije d. d. 2011 Annual Report (1 July 2010 to 30 June 2011), that is why they are not included in this interim report. Accounting policies have not been changed in the period covered by this report.

On 15 July 2010, Datalab SI, d. o. o., was founded as wholly-owned subsidiary of Datalab Tehnologije, d. d. It was founded to standardize the operations in all markets, as there had already been subsidiaries for all markets – except Slovenia. The situation then, Datalab Tehnologije, d. d., developing software for the whole group and covering the Slovenian market, became increasingly suboptimal as business grew.

6.1 Management's Statement of Responsibility

The management of Datalab Tehnologije d. d. hereby states that the financial statements of Datalab Tehnologije, d. d., for the half-year ended 31 December 2011 are drawn up in a manner that gives a true and fair view of the financial standing and results of Datalab Tehnologije, d. d.

The same accounting policies have been used in the preparation of this interim financial report for the first half of the fiscal year 2012 as for the Annual Report of Datalab Tehnologije, d. d.

This interim financial report for the half-year ended 31 December 2011 is prepared in accordance with International Financial Reporting Standards and must be read in conjunction with the 2011 Annual Report for the year ended 30 June 2011.

Ljubljana, 27 February 2011

Andrej Mertelj, Executive
Director

Lojze Zajc
Chairman of the Executive
Board and Chairman of the
Audit Committee

6.2 Operating Results of Datalab Tehnologije, d. d., for the Period from 1 July 2011 to 31 December 2011

In the period in question, Datalab Tehnologije, d. d., made a gross operating income of 1,599,928 euros which is 93.75 % of the income in the last year to date. Datalab SI, d. o. o., was founded on 1 July 2010 to standardize the operations in all markets and therefore it took over all operations for Slovenia; the missing 6.25 percentage points are due to the one-month loss of sales revenue in July 2010.

Sales in the domestic market are for the same reason 26.23 pp lower than last year to date.

Of the 457,540 euros from sales,

- license sales amount to 86,902 euros (-18.78% because sales for July 2011 are included in Datalab SI, d. o. o.), and
- sales of software upgrades amount to 224,061 euros and are, despite the one-month loss, up 9.68% compared to last year to date.

Lease agreements (payment in installments) have practically been cancelled due to the liquidity situation and inability to refinance. The company anticipates that lease contracts will be refinanced in cooperation with insurers and commercial banks in the 2012 calendar year. Upon signing a lease agreement, the lessee pays a 18% down payment, and Datalab immediately records the value of the license, and revenue from software upgrades and financing is recorded monthly until the agreement expires.

The majority of other income in the domestic market are membership fees paid by partners/representatives, income from marketing and training, and services billed to the Slovenian subsidiary.

Sales in foreign markets consists of sales to subsidiaries in countries of Southeast Europe. Such sales are up by 15.09%.

Of the 387,281 euros from sales,

- license sales amount to 160,589 euros (+20.31%), and
- revenue from software upgrades amounts to 187,501 euros (+72.54%).

It is very welcome that sales in foreign markets have grown considerably and software upgrades even more. However, sales of PANTHEON training are significantly down in foreign markets.

Software development intensity remains high and at the same level as in the previous year. **Capitalized own products and services** amount to 690,000 euros after the first half of the fiscal year.

Subsidies, grants, allowances, compensations and other revenue associated with products and services include the subsidy of the Slovenian Ministry of Higher Education and Technology for developing an ecosystem for e-business in SMEs (project *Feniks*). This income was financed in the amount of 48,278 euros, which is proportional with the cost of depreciation of the *Feniks* project. For the remainder of the approved subsidy, long-term allocations in the amount of 201,834 euros (still unused) have been established to cover the proportional part of depreciation costs in the next three years. Another subsidy in the amount of 6,640 euros was awarded by JAPTI for the expansion to Albania. This item increased by 23.36% compared to the same period in the previous year.

Operating expenses amounted to 1,433,096 euros, which is 80,794 euros less mostly because of lower labor costs. On 1 January 2011 (after receiving a statement from the Ministry of Finance about employee sharing schemes for subsidiaries under the Financial Participation Act), all employees covering operations in Slovenia have been reassigned to newly founded subsidiary Datalab SI, d. o. o., therefore labor costs in the comparative previous period still contain labor costs of those employees (-21.54%). Costs of depreciation have increased by 17.67%. For better debt collection and due to the transfer of sales operations to Datalab SI, d. o. o., revalued operating expenses associated with current assets (receivables) have significantly decreased and are lower by 93.51 pp.

Operating profit amounted to 166,832 euros and is down by 25,819 euros. The difference is mostly due to higher accounted depreciation, which is up by 70,421 euros compared to last year to date, and higher cost of services, mostly in marketing.

The subtotal of financial revenue and expenses is negative (-2,582 euros) mostly because of the inability to provide customers with long-term financing. Financial expenses are higher by 6.67% compared to the previous period.

Datalab Tehnologije d. d. made a **total profit** of 168,977 euros, while last year to date it made a profit of 199,707 euros.

It is estimated that no tax on profit will need to be paid, because the company will claim tax reliefs for investing into the development of PANTHEON.

6.2.1 Operating Results of Datalab Tehnologije, d. d., for the Half-Year Ended 31 December 2011 Compared to Last Year to Date

Item	ADP	1 July 2011 to 31 Dec 2011	1 July 2010 to 31 Dec 2010	INDEX 2011/2010
A. NET SALES (111+115+118)	110	844,821	956,734	88.30
I. Net revenue from sales in the domestic market (112 through 114)	111	457,540	620,237	73.77
1. Net sales of products and services, excluding rent	112	453,164	605,650	74.82
2. Net revenue from rent	113	4,376	14,287	30.63
3. Net revenue from sales of goods and materials	114		300	0.00
II. Net sales in the EU (116+117)	115	3,928	2,912	134.89
1. Net sales of products and services	116	3,928	2,912	134.89
2. Net revenue from sales of goods and materials	117			
III. Net sales outside the EU (119+120)	118	383,353	333,585	114.92
1. Net sales of products and services	119	383,353	333,585	114.92
2. Net revenue from sales of goods and materials	120			
B. INCREASE IN VALUE IN INVENTORIES OF PRODUCTS AND WORK IN PROGRESS	121			
C. DECREASE IN VALUE IN INVENTORIES OF PRODUCTS AND WORK IN PROGRESS	122			
Č. CAPITALIZED OWN PRODUCTS AND SERVICES	123	690,000	690,000	100.00
D. SUBSIDIES, GRANTS, ALLOWANCES, COMPENSATIONS AND OTHER REVENUE ASSOCIATED WITH PRODUCTS AND SERVICES	124	54,918	44,520	123.36
E. OTHER OPERATING REVENUE	125	10,189	15,287	66.65
F. GROSS OPERATING INCOME (110+121-122+123+124+125)	126	1,599,928	1,706,541	93.75
G. OPERATING EXPENSES (128+139+144+148)	127	1,433,096	1,513,890	94.66
I. Cost of goods, materials and services (129+130+134)	128	437,888	396,267	110.50
1. Cost of goods sold	129			
2. Cost of materials used (131 through 133)	130	11,390	16,956	67.17
a) Cost of materials	131	38	46	82.61
b) Cost of energy	132	6,700	5,830	114.92
c) Other costs of materials	133	4,652	11,080	41.99
3. Cost of services (135 to 138)	134	426,498	379,311	112.44
a) Transport services	135	10,345	309	3347.90
b) Rents	136	40,077	89,848	44.61
c) Reimbursement to employees for work-related expenses	137	8,615	7,523	114.52
č) Cost of other services	138	367,461	281,631	130.48
II. Labor costs (140 to 143)	139	521,538	664,724	78.46
1. Cost of wages and salaries	140	390,163	497,266	78.46

2.	Cost of pension insurance	141	34,584	44,008	78.59
3.	Cost of other social insurances	142	28,332	36,088	78.51
4.	Other labor costs	143	68,459	87,362	78.36
III.	Write-offs (145 through 147)	144	472,266	449,699	105.02
1.	Depreciation	145	468,945	398,524	117.67
2.	Revalued operating expenses for intangible assets and fixed assets	146			
3.	Revalued operating expenses associated with current assets	147	3,321	51,175	6.49
IV.	Other operating expenses (149+150)	148	1,404	3,200	43.88
1.	Allocations	149			
2.	Other costs	150	1,404	3,200	43.88
H.	OPERATING PROFIT (126-127)	151	166,832	192,651	86.60
I.	OPERATING LOSS (127-126)	152			
J.	FINANCIAL REVENUE (155+160+163)	153	48,205	57,149	84.35
	Financial revenue from interest (included in II. and III.)	154			
I.	Financial revenue from shares and interests (156 through 159)	155			
1.	Financial revenue from shares and interests in companies in the group	156			
2.	Financial revenue from shares and interests in affiliated companies	157			
3.	Financial revenue from shares and interests in other companies	158			
4.	Financial revenue from other investments	159			
II.	Financial revenue from given loans (161+162)	160	1,104		
1.	Financial revenue from loans given within the group	161	1,104		
2.	Financial revenue from loans given to others	162			
III.	Financial revenue from operating receivables (164+165)	163	47,101	57,149	82.42
1.	Financial revenue from operating receivables from companies in the group	164	3,570	4,736	75.38
2.	Financial revenue from operating receivables from others	165	43,531	52,413	83.05
K.	FINANCIAL EXPENSES (168+169+174)	166	50,787	47,612	106.67
	Financial expenses for interest (included in II. and III.)	167			
I.	Financial expenses due to impairment and write-offs of investments	168			
II.	Financial expenses for financial liabilities (170 through 173)	169	48,127	35,918	133.99
1.	Financial expenses for loans received from companies in the group	170	177		
2.	Financial expenses for loans received from banks	171	47,950	35,918	133.50
3.	Financial expenses for bonds issued	172			
4.	Financial expenses for other financial liabilities	173			

III.	Financial expenses for operating liabilities (175 to 177)	174	2,660	11,694	22.75
1.	Financial expenses for operating liabilities from companies in the group	175			
2.	Financial expenses for trade payables and bills payable	176			
3.	Financial expenses for other operating liabilities	177	2,660	11,694	22.75
L.	OTHER REVENUE (179+180)	178	4,869	977	498.36
I.	Subsidies, grants and similar revenue not associated with products and services	179			
II.	Other financial revenue and other revenue	180	4,869	977	498.36
M.	OTHER EXPENSES	181	142	3,458	4.11
N.	TOTAL PROFIT (151-152+153-166+178-181)	182	168,977	199,707	84.61
O.	TOTAL LOSS (152-151-153+166-178+181)	183			
P.	TAX ON PROFIT	184			
R.	DEFERRED TAXES	185			
S.	NET PROFIT FOR THE PERIOD (182-184-185)	186	168,977	199,707	84.61
Š.	NET LOSS FOR THE PERIOD (183+184+185) or (184-182+185)	187			
	AVERAGE NUMBER OF EMPLOYEES BASED ON HOURS WORKED IN THE PERIOD	188	29.16	41.45	70.35
	MONTHS OF OPERATION	189	6	6	100.00

6.3 Balance Sheet of Datalab Tehnologije, d. d., as of 31 December 2011

The **balance sheet total** of the company is 6,054,597 euros and is 1.63% higher than last year to date.

At the end of 2011, Datalab had 84.45% long-term assets and 15.25% short-term assets. The remaining 0.30% are short-term deferred costs and accrued revenue. Long-term assets have increased by 7.00 percentage points in the period, while short-term assets have decreased by 7.00 percentage points. This is mostly due to the reorganization of the parent company; practically only the development of PANTHEON remained with the parent company, all sales for the Slovenian market have been taken over the Slovenian subsidiary.

Similar changes in the balance sheet of Datalab Tehnologije, d. d., pertain to liabilities.

Long-term liabilities have a share of 76.69%, short-term liabilities 17.32%. The remaining 2.99% are short-term deferred costs and accrued revenue. The ratio of long-term liabilities to long-term assets is an almost ideal 94%, the remaining 6% are financed from short-term assets. Equity represents 54.83% of financing sources. The share of equity has increased by 5.6 percentage points compared to the second half-year of 2010.

Those movements in liabilities have stabilized Datalab's long-term financial standing.

Long-term receivables amount to 198,810 euros, broken down by maturity as follows:

- 28,771 euros are due in less than 12 months;
- 124,845 euros are due in more than 13 but less than 24 months;
- 45,194 euros are due in more than 25 but less than 36 months.

Long-term receivables, mostly from RLGS agreements, are monthly transferred to short-term receivables in the amount of one monthly installment and have decreased by 209,011 euros compared to last year to date due to the supplementation of existing agreements and inability to sign new ones (no funding for refinancing).

Short-term loans are presented in the amount of 60,728 euros, which is only 33.93% compared to last year to date.

Short-term operating receivables amount to 838,752 euros and lower by 26.69%. They can be divided into:

- short-term operating receivables from companies in the group amount to 522,907 euros, which is 11.04% more than on 31 December 2010;
- short-term operating receivables from other customers amount to 288,968 euros – index 55.52;
- short-term operating receivables from other are presented in the amount of 26,877 euros and are lower by 82.40% than last year to date.

Short-term operating receivables from companies in the group and from other customers, broken down by maturity:

- not overdue: 683,811 euros;
- overdue 1 to 29 days: 81,911 euros;
- overdue 31 to 89 days: 36,199 euros;
- overdue over 91 days: 9,954 euros.

Short-term operating receivables from others amount to 26,877 euros. Most of these are for input VAT, for overpaid corporate tax, and refunds from the Health Insurance Institute.

Short-term deferred costs and accrued revenue are mostly deferred costs of commission to partners (representatives).

Equity amounts to 3,319,805 euros. The last board meeting has increased the company's share capital by 1,500,000 euros and filed the change at the competent registry.

Allocations in the amount of 12,036 euros are funds allocated for severance pays upon retirement in the amount of 8,123 euros and funds allocated for long service rewards in the amount of 3,913 euros, and are roughly the same as last year.

Long-term accrued costs and deferred revenue amounted to 539,777 euros and are down by 33.3 pp compared to the end of 2010. They consist of:

- 205,847 euros are allocated for lost lawsuits. Based on expert opinions and the development of lawsuits it is estimated that within one to two years those allocations will no longer be required.
- In the fiscal year 2010, long-term accrued costs and deferred revenue have been established for the subsidy received for the *Feniks* project, from which it withdraws the proportional part of depreciation of that project. As of 31

December 2011, 201,834 euros of those funds are presented, intended for covering the proportional part of depreciation over the next three years.

- 132,096 euros is long-term deferred revenue from upgrade agreements and loan interest, minus partner commissions.

Long-term liabilities amount to 953,333 euros are by 243,333 euros higher than as of 31 December 2010. This pertains to a long-term loan taken out at the end of 2010 under the Republic of Slovenia Guarantee Scheme and another loan taken out in May 2011, used mostly in the second half of the calendar year for funding the development of PANTHEON.

Short-term financial liabilities amount to 668,852 euros (index 90.89) and consist of:

- 519,725 euros of short-term financial liabilities to banks – index 82.11, and
- 149,127 euros of short-term financial liabilities to companies in the group.

As of 31 December 2011, there are no **other short-term financial liabilities**. Compared to 31 December 2010, this has decreased by 9.11 pp.

Short-term operating liabilities amount to 379,727 euros and are by almost 40% lower than at the cut-off date of the previous year. They are composed of:

- 25,357 euros of short-term operating liabilities to companies in the group - index 52.32;
- 144,861 euros of short-term operating liabilities to suppliers – index 80.26 – or by 35,620 euros lower than the previous year;
- 209,509 euros of other short-term operating liabilities – index 52.27.

Other short-term operating liabilities amount to 209,509 euros and consist of:

- liabilities for the December payroll in the amount of 56,577 euros;
- short-term liabilities for taxes and contributions related to the December payroll amount to 43,144 euros;
- liabilities to employees for bonuses (as employee stock ownership plan) in the amount of 22,185 euros;
- liabilities for VAT in the amount of 52,666 euros (includes deferred liabilities);
- 1,522 euros of liabilities for received short-term advance payments;
- 33,415 euros of other long-term liabilities.

As of 31 December 2011, there are 33,520 euros of deferred liabilities for VAT and are regularly being repaid.

Short-term accrued costs and deferred revenue consist of:

- short-term deferred revenue from lease agreements (revenue from software upgrades and financing) in the amount of 147,053 euros;
- accrued costs of services in the amount of 34,014 euros.

Liabilities of Datalab Tehnologije, d. d.:

in euros	31 Dec 2011	31 Dec 2010	Difference
Long-term financial liabilities	953,333	710,000	243,333
Long-term operating liabilities			
Short-term financial liabilities	668,852	735,871	-67,019
Short-term operating liabilities	379,727	629,785	-250,058
Total	2,001,912	2,075,656	- 73,744

Datalab Tehnologije, d. d., has signed a contract with Banka Celje, d. d., for a loan from the European Investment Bank that is wholly intended for funding of development of PANTHEON, thus getting proper funding and achieving a 94% long-term assets to long-term liabilities ratio. Another loan source was obtained the previous year by signing a contract with Nova Ljubljanska banka, d. d. Despite the recession, the company's liquidity is adequate.

6.3.1 Balance Sheet of Datalab Tehnologije, d. d., as of 31 December 2011

Item	ADP	31 Dec 2011	31 Dec 2010	INDEX 2011/2010
ASSETS (002+032+053)	001	6,054,597	6,155,011	98.37
A. LONG-TERM ASSETS (003+010+018+019+027+031)	002	5,113,244	4,767,432	107.25
I. Intangible assets and long-term deferred costs and accrued revenue (004+009)	003	4,526,140	4,094,940	110.53
1. Intangible assets (005 to 008)	004	4,490,074	4,077,472	110.12
a) Long-term property rights	005	4,490,074	4,077,472	110.12
b) Goodwill	006			
c) Long-term deferred development costs	007			
č) Other intangible assets	008			
2. Long-term deferred costs and accrued revenue	009	36,066	17,468	206.47
II. Fixed assets (011 to 017)	010	111,173	36,233	306.83
1. Land	011			
2. Buildings	012			
3. Production devices and machines	013	111,173	36,233	306.83
4. Other machines and equipment, small tools, and other fixed assets	014			
5. Biological assets	015			
6. Fixed assets in production or under construction	016			
7. Advances for acquisition of fixed assets	017			
III. Investment property	018			
IV. Long-term financial investments (020+024)	019	208,897	179,608	116.31
1. Long-term financial investments, excluding loans (021 to 023)	020	206,592	176,106	117.31
a) Shares and stakes in companies in the group	021	205,342	174,856	117.43
b) Other shares and stakes	022	1,250	1,250	
c) Other long-term financial investments	023			
2. Long-term loans (025+026)	024	2,305	3,502	65.82
a) Long-term loans to companies in the group	025	2,305	3,502	65.82
b) Other long-term loans	026			
V. Long-term operating receivables (028 to 030)	027	198,810	407,821	48.75
1. Long-term operating receivables from companies in the group	028			
2. Long-term operating receivables from customers	029	198,810	407,821	48.75
3. Long-term operating receivables from others	030			
VI. Deferred tax assets	031	68,224	48,830	139.72
B. SHORT-TERM ASSETS (033+034+040+048+052)	032	923,436	1,369,546	67.43
I. Assets (groups for disposal) held for sale	033			
II. Inventories (035 to 039)	034	3,178	4,369	72.74
1. Materials	035			
2. Work in progress	036			
3. Products	037			
4. Goods	038	3,178	4,369	72.74

5.	Advances for inventories	039			
III.	Short-term financial investments (041+045)	040	60,728	178,965	33.93
1.	Short-term financial investments, excluding loans (042 to 044)	041	0	0	
a)	Shares and stakes in companies in the group	042			
b)	Other shares and stakes	043			
c)	Other short-term financial investments	044			
2.	Short-term loans (046+047)	045	60,728	178,965	33.93
a)	Short-term loans to companies in the group	046		68,306	0.00
b)	Other short-term loans	047	60,728	110,659	54.88
IV.	Short-term operating receivables (049 to 051)	048	838,752	1,144,060	73.31
1.	Short-term operating receivables from companies in the group	049	522,907	470,912	111.04
2.	Short-term operating receivables from customers	050	288,968	520,467	55.52
3.	Short-term operating receivables from others	051	26,877	152,681	17.60
V.	Cash	052	20,778	42,152	49.29
C.	SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE	053	17,917	18,033	99.36
	Off-balance-sheet assets	054			
	LIABILITIES (056+072+075+085+095)	055	6,054,597	6,155,011	98.37
A.	EQUITY (057+060+061+067+068-069+070-071)	056	3,319,805	3,032,300	109.48
I.	Called-up capital (058-059)	057	1,965,441	465,441	422.28
1.	Share capital	058	1,965,441	465,441	422.28
2.	Uncalled capital (as deduction item)	059			
II.	Capital surplus	060	259,795	238,511	108.92
III.	Profit reserves (062+063-064+065+066)	061	196,545	44,450	442.17
1.	Legal reserves	062	196,545	44,450	442.17
2.	Reserves for own shares and interests	063	59,622	429	13897.90
3.	Own shares and interests (as deduction item)	064	59,622	429	13897.90
4.	Statutory reserves	065			
5.	Other profit reserves	066			
IV.	Revaluation surplus	067			
V.	Retained net profit	068	729,047	2,084,191	34.98
VI.	Retained net loss	069			
VII.	Net profit for the fiscal year	070	168,977	199,707	84.61
VIII.	Net loss for the fiscal year	071			
B.	ALLOCATIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE (073+074)	072	551,813	827,260	66.70
1.	Allocations	073	12,036	12,036	100.00
2.	Long-term accrued costs and deferred revenue	074	539,777	815,224	66.21
C.	LONG-TERM LIABILITIES (076+080+084)	075	953,333	710,000	134.27
I.	Long-term financial liabilities (077 do 079)	076	953,333	710,000	134.27
1.	Long-term financial liabilities to companies in the group	077			
2.	Long-term financial liabilities to banks	078	953,333	710,000	134.27
3.	Other long-term financial liabilities	079			
II.	Long-term operating liabilities (081 to 083)	080	0	0	
1.	Long-term operating liabilities to companies in the group	081			
2.	Long-term operating liabilities to suppliers	082			

3.	Other long-term operating liabilities	083			
III.	Deferred tax liabilities	084			
Č.	SHORT-TERM LIABILITIES (086+087+091)	085	1,048,579	1,365,656	76.78
I.	Liabilities included in groups for disposal	086			
II.	Short-term financial liabilities (088 to 090)	087	668,852	735,871	90.89
1.	Short-term financial liabilities to companies in the group	088	149,127	102,935	144.87
2.	Short-term financial liabilities to banks	089	519,725	632,936	82.11
3.	Other short-term financial liabilities	090			
III.	Short-term operating liabilities (092 to 094)	091	379,727	629,785	60.29
1.	Short-term operating liabilities to companies in the group	092	25,357	48,462	52.32
2.	Other short term liabilities to suppliers	093	144,861	180,481	80.26
3.	Other short-term operating liabilities	094	209,509	400,842	52.27
D.	SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUE	095	181,067	219,795	82.38
	Off-balance-sheet liabilities	096			

6.4 Consolidated Operating Results of the Datalab Group of Companies for the Period from 1 July 2011 to 31 December 2011

In the period, the Datalab Group made a gross operating income of 2,645,618 euros, which is 7.29% more than last year to date.

Sales in the domestic (Slovenian) market are up by 14.61% and amount to 828,471 euros. Of that:

- license sales amount to 218,546 euros,
- revenue from software upgrades amounts to 386,416 euros.

Lease agreements (payment in installments) have practically been cancelled due to the liquidity situation and inability to refinance. The parent company expects that refinancing of lease agreements will be settled in FY 12. Upon signing a lease agreement, the lessee pays a 18% down payment, and Datalab immediately records the value of the license, and revenue from software upgrades and financing is recorded monthly until the agreement expires.

Sales in foreign markets outside the EU consist of sales to subsidiaries in countries of Southeast Europe. Such sales are up by 7.43%. Of the 1,053,051 euros from sales,

- license sales amount to 552,689 euros (+20.31%), and
- revenue from software upgrades amounts to 348,453 euros (+72.54%).

It is very welcome that sales in foreign markets have grown considerably and software upgrades even more. However, sales of training are significantly down in foreign markets.

Software development intensity remains high and at the same level as in the previous year. **Capitalized own products and services** amount to 690,000 euros after the first half of the fiscal year.

Subsidies, grants, allowances, compensations and other revenue associated with products and services include the subsidy of the Slovenian Ministry of Higher Education and Technology for developing an ecosystem for e-business in SMEs (project *Feniks*). This income was financed in the amount of 48,278 euros, which is proportional with the cost of depreciation of the *Feniks* project. For the remainder of the approved subsidy, long-term allocations in the amount of 201,834 euros (still unused) have been established to cover the proportional part of depreciation costs in the next three years. Two more subsidies were granted: one by JAPTI for market expansion in the amount of 6,640 euros and another in the amount of 616 euros for employing university seniors. Compared to last year to date, the whole amount of this item represents a 18.09% increase of such revenue.

Operating expenses amounted to 2,479,668 euros and are 9.13% higher than last year to date. The increase is due to higher depreciation and higher cost of additional services (hired students and professionals). This hiring was necessary for selling and resulted in a significant rise in sales in Slovenia that in other markets. Costs of depreciation have increased by 17.61%.

Operating profit amounted to 165,950 euros and is down by 27,672 euros. The difference is mostly due to higher accounted depreciation, which is up by 72,339 euros compared to last year to date, and higher cost of other services, as mentioned previously.

The subtotal of financial revenue and expenses is negative in the amount of 14,242 euros. Financial expenses are higher by 19.55% compared to last year to date, mostly due to additional loans for funding software development and the purchase of a piece of real estate by the subsidiary in Serbia.

The Datalab Group made a **total profit** of 156,485 euros, while last year to date it made a profit of 187,158 euros.

It is estimated that no tax on profit will need to be paid, because the parent company continues to invest into the development of PANTHEON.

Note: Datalab Automotive, d. o. o., in Serbia and Datalab Bulgaria, Ltd., are not included in the consolidation because of their insignificant contribution to totals.

6.4.1 Consolidated Operating Results of the Datalab Group of Companies for the Half-Year Ended 31 December 2011 Compared to Last Year to Date

Item	ADP	1 Jul 2011 to 31 Dec 2011	1 Jul 2010 to 31 Dec 2010	INDEX 2011/2010
A. NET SALES (111+115+118)	110	1,885,450	1,706,005	110.52
I. Net revenue from sales in the domestic market (112 through 114)	111	828,471	722,841	114.61
1. Net sales of products and services, excluding rent	112	824,095	708,254	116.36
2. Net revenue from rent	113	4,376	14,287	30.63
3. Net revenue from sales of goods and materials	114		300	0.00
II. Net sales in the EU (116+117)	115	3,928	2,912	134.89
1. Net sales of products and services	116	3,928	2,912	134.89
2. Net revenue from sales of goods and materials	117			
III. Net sales outside the EU (119+120)	118	1,053,051	980,252	107.43
1. Net sales of products and services	119	1,052,455	979,530	107.44
2. Net revenue from sales of goods and materials	120	596	722	82.55
B. INCREASE IN VALUE IN INVENTORIES OF PRODUCTS AND WORK IN PROGRESS	121			
C. DECREASE IN VALUE IN INVENTORIES OF PRODUCTS AND WORK IN PROGRESS	122			
Č. CAPITALIZED OWN PRODUCTS AND SERVICES	123	690,000	690,000	100.00
D. SUBSIDIES, GRANTS, ALLOWANCES, COMPENSATIONS AND OTHER REVENUE ASSOCIATED WITH PRODUCTS AND SERVICES	124	55,534	47,025	118.09
E. OTHER OPERATING REVENUE	125	14,634	22,714	64.43
F. GROSS OPERATING INCOME (110+121-122+123+124+125)	126	2,645,618	2,465,744	107.29
G. OPERATING EXPENSES (128+139+144+148)	127	2,479,668	2,272,122	109.13
I. Cost of goods, materials and services (129+130+134)	128	922,483	803,825	114.76
1. Cost of goods sold	129			
2. Cost of materials used (131 through 133)	130	25,933	25,226	102.80
a) Cost of materials	131	2,244	2,361	95.04
b) Cost of energy	132	13,375	10,091	132.54
c) Other costs of materials	133	10,314	12,774	80.74
3. Cost of services (135 to 138)	134	896,550	778,599	115.15
a) Transport services	135	45,700	32,704	139.74
b) Rents	136	90,574	135,484	66.85
c) Reimbursement to employees for work-related expenses	137	27,689	22,334	123.98
č) Cost of other services	138	732,587	588,077	124.57
II. Labor costs (140 to 143)	139	1,049,990	977,776	107.39
1. Cost of wages and salaries	140	730,651	702,235	104.05
2. Cost of pension insurance	141	78,140	31,234	250.18
3. Cost of other social insurances	142	85,465	127,837	66.85
4. Other labor costs	143	155,734	116,470	133.71
III. Write-offs (145 through 147)	144	497,113	465,501	106.79
1. Depreciation	145	483,012	410,673	117.61

2.	Revalued operating expenses for intangible assets and fixed assets	146	1,282	3,653	35.09
3.	Revalued operating expenses associated with current assets	147	12,819	51,175	25.05
IV.	Other operating expenses (149+150)	148	10,082	25,020	40.30
1.	Allocations	149			
2.	Other costs	150	10,082	25,020	40.30
H.	OPERATING PROFIT (126-127)	151	165,950	193,622	85.71
I.	OPERATING LOSS (127-126)	152			
J.	FINANCIAL REVENUE (155+160+163)	153	45,102	52,575	85.79
	Financial revenue from interest (included in II. and III.)	154			
I.	Financial revenue from shares and interests (156 through 159)	155			
1.	Financial revenue from shares and interests in companies in the group	156			
2.	Financial revenue from shares and interests in affiliated companies	157			
3.	Financial revenue from shares and interests in other companies	158			
4.	Financial revenue from other investments	159			
II.	Financial revenue from given loans (161+162)	160	0		
1.	Financial revenue from loans given within the group	161			
2.	Financial revenue from loans given to others	162			
III.	Financial revenue from operating receivables (164+165)	163	45,102	52,575	85.79
1.	Financial revenue from operating receivables from companies in the group	164			
2.	Financial revenue from operating receivables from others	165	45,102	52,575	85.79
K.	FINANCIAL EXPENSES (168+169+174)	166	59,344	49,638	119.55
	Financial expenses for interest (included in II. and III.)	167			
I.	Financial expenses due to impairment and write-offs of investments	168			
II.	Financial expenses for financial liabilities (170 through 173)	169	55,277	37,132	148.87
1.	Financial expenses for loans received from companies in the group	170			
2.	Financial expenses for loans received from banks	171	55,277	37,132	148.87
3.	Financial expenses for bonds issued	172			
4.	Financial expenses for other financial liabilities	173			
III.	Financial expenses for operating liabilities (175 to 177)	174	4,067	12,506	32.52
1.	Financial expenses for operating liabilities from companies in the group	175			

2.	Financial expenses for trade payables and bills payable	176	2,021	2,902	
3.	Financial expenses for other operating liabilities	177	2,046	9,604	21.30
L.	OTHER REVENUE (179+180)	178	5,387	980	549.69
I.	Subsidies, grants and similar revenue not associated with products and services	179			
II.	Other financial revenue and other revenue	180	5,387	980	549.69
M.	OTHER EXPENSES	181	610	10,381	5.88
N.	TOTAL PROFIT (151-152+153-166+178-181)	182	156,485	187,158	83.61
O.	TOTAL LOSS (152-151-153+166-178+181)	183			
P.	TAX ON PROFIT	184			
R.	DEFERRED TAXES	185			
S.	NET PROFIT FOR THE PERIOD (182-184-185)	186	156,485	187,158	83.61

6.5 Consolidated Balance Sheet of the Datalab Group of Companies as of 31 December 2011

The **balance sheet total** of the company is 6,791,050 euros and is 5.58% higher than at the end of the fiscal year 2011 (30 June 2011).

At the end of 2011, the Datalab Group had 78.52% long-term assets and 20.68% short-term assets. The remaining 0.80% are short-term deferred costs and accrued revenue. Long-term assets have increased by 6.7 pp in the last six months, while short-term assets have increased 6.29 pp.

Similar changes in the balance sheet of Datalab Tehnologije, d. d., pertain to liabilities.

Long-term liabilities have a share of 77.34%, short-term liabilities 19.79%. The remaining 2.87% are short-term deferred costs and accrued revenue. The ratio of long-term liabilities to long-term assets is an ideal 100.96%, only 0.96% of short-term assets are financed from long-term liabilities. Equity represents 53.27% of financing sources and remained practically unchanged since the end of the previous fiscal year.

Those movements in liabilities have stabilized the Group's long-term financial standing.

Long-term liabilities amount to 239,797 euros and are by 6.78 pp lower than on 30 June 2011.

Long-term liabilities are recorded for the most part with the parent company and mostly from RLGs agreements, which are monthly transferred to short-term liabilities in the amount on one monthly installment.

Short-term loans are presented in the amount of 71,893 euros and are by 6,546 euros higher than six months ago.

Short-term operating receivables amount to 1,038,191 euros and are lower by 3.03% than on 30 June 2011. They can be divided into:

- short-term operating receivables from other customers amount to 960,263 euros – index 97.10;
- short-term operating receivables from other are presented in the amount of 77,928 euros and are lower by 4.65% than at the end of the previous fiscal year.

Short-term deferred costs and accrued revenue are mostly deferred costs of commissions to partners (agents) and are by 52.07 pp lower than on 30 June 2011.

Equity of the Group amounts to 3,617,665 euros. The parent company has increased the company's share capital by 1,500,000 euros and filed the change at the competent registry.

Allocations in the amount of 12,036 euros are funds allocated for severance pays upon retirement in the amount of 8,123 euros and funds allocated for long service rewards in the amount of 3,913 euros, and are roughly the same as last year.

Long-term accrued costs and deferred revenue amounted to 534,120 euros and are down by 4.49 pp compared to the end of the fiscal year 2011. They consist of:

- 205,847 euros are allocated for lost lawsuits. Based on expert opinions and the development of lawsuits it is estimated that within one to two years those allocations will no longer be required.
- In the fiscal year 2010, long-term accrued costs and deferred revenue have been established for the subsidy received for the *Feniks* project, from which it withdraws the proportional part of depreciation of that project. As of 31 December 2011, 201,834 euros of those funds are presented, intended for covering the proportional part of depreciation over the next three years.
- 126,439 euros is long-term deferred revenue from upgrade agreements and loan interest, minus partner commissions.

Long-term liabilities amount to 1,219,753 euros are by 281,324 euros higher than as of 31 June 2011. This pertains to a long-term loan taken out by the parent company at the end of 2010 under the Republic of Slovenia Guarantee Scheme and another

loan taken out in May 2011, used mostly in the second half of the calendar year for funding the development of PANTHEON. Furthermore, the subsidiary in Serbia took out a long-term loan for the purchase of a piece of real estate.

Short-term financial liabilities amount to 591,725 euros and include short-term financial liabilities to banks by the parent company in the amount of 519,725 euros and by the subsidiary in Slovenia in the amount of 72,000 euros.

Short-term operating liabilities amount to 634,297 euros and are by 8.42% lower than at the end of the fiscal year 2011. The include:

- short-term operating liabilities to suppliers in the amount of 250,312 euros – index 93.37 compared to 30 June 2011;
- other short-term operating liabilities in the amount of 383,985 euros – index 90.45 compared to 30 June 2011.

Other short-term operating liabilities include liabilities for the December payroll, the associated taxes and contributions, liabilities to employees for bonuses (as employee stock ownership plan), liabilities for VAT, and liabilities for received short-term advance payments.

Short-term accrued costs and deferred revenue are presented in the amount of 181,464 euros and are by 1.59% lower than on 30 June 2011. The include mostly short-term deferred revenue from lease agreements (revenue from software upgrades and financing) and accrued costs of services.

Note: Datalab Automotive, d. o. o., in Serbia and Datalab Bulgaria, Ltd., are not included in the consolidation because of their insignificant contribution to totals.

6.5.1 Consolidated Balance Sheet of the Datalab Group of Companies as of 31 December 2011

Item	ADP	31 Dec 2011	30 Jun 2011	INDEX 31 Dec 2011/ 30 Jun 2011
ASSETS (002+032+053)	001	6,791,050	6,432,257	105.58
A. LONG-TERM ASSETS (003+010+018+019+027+031)	002	5,332,130	4,997,489	106.70
I. Intangible assets and long-term deferred costs and accrued revenue (004+009)	003	4,650,197	4,411,965	105.40
1. Intangible assets (005 to 008)	004	4,613,835	4,369,572	105.59
a) Long-term property rights	005	4,493,594	4,230,435	106.22
b) Goodwill	006	120,241	120,241	
c) Long-term deferred development costs	007			
č) Other intangible assets	008		18,896	
2. Long-term deferred costs and accrued revenue	009	36,362	42,393	85.77
II. Fixed assets (011 to 017)	010	342,176	258,819	132.21
1. Land	011			
2. Buildings	012	186,421	190,972	97.62
3. Production devices and machines	013			
4. Other machines and equipment, small tools, and other fixed assets	014	135,795	66,671	203.68
5. Biological assets	015			
6. Fixed assets in production or under construction	016		177	
7. Advances for acquisition of fixed assets	017	19,960	999	1998.00

III.	Investment property	018			
IV.	Long-term financial investments (020+024)	019	31,736	1,249	2540.91
1.	Long-term financial investments, excluding loans (021 to 023)	020	31,736	1,249	2540.91
a)	Shares and stakes in companies in the group	021	31,736	1,249	2540.91
b)	Other shares and stakes	022			
c)	Other long-term financial investments	023			
2.	Long-term loans (025+026)	024	0	0	
a)	Long-term loans to companies in the group	025			
b)	Other long-term loans	026			
V.	Long-term operating receivables (028 to 030)	027	239,797	257,232	93.22
1.	Long-term operating receivables from companies in the group	028			
2.	Long-term operating receivables from customers	029	239,797	257,232	93.22
3.	Long-term operating receivables from others	030			
VI.	Deferred tax assets	031	68,224	68,224	100.00
B.	SHORT-TERM ASSETS (033+034+040+048+052)	032	1,404,620	1,321,475	106.29
I.	Assets (groups for disposal) held for sale	033			
II.	Inventories (035 to 039)	034	6,118	8,150	75.07
1.	Materials	035	2,622	3,142	83.45
2.	Work in progress	036			
3.	Products	037			
4.	Goods	038	3,496	3,496	100.00
5.	Advances for inventories	039		1,512	
III.	Short-term financial investments (041+045)	040	71,893	139,921	51.38
1.	Short-term financial investments, excluding loans (042 to 044)	041	0	74,574	
a)	Shares and stakes in companies in the group	042			
b)	Other shares and stakes	043			
c)	Other short-term financial investments	044		74,574	
2.	Short-term loans (046+047)	045	71,893	65,347	110.02
a)	Short-term loans to companies in the group	046			
b)	Other short-term loans	047	71,893	65,347	110.02
IV.	Short-term operating receivables (049 to 051)	048	1,038,191	1,070,683	96.97
1.	Short-term operating receivables from companies in the group	049			
2.	Short-term operating receivables from customers	050	960,263	988,956	97.10
3.	Short-term operating receivables from others	051	77,928	81,727	95.35
V.	Cash	052	288,418	102,721	280.78
C.	SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE	053	54,300	113,293	47.93
	Off-balance-sheet assets	054			
	LIABILITIES (056+072+075+085+095)	055	6,791,050	6,432,257	105.58
A.	EQUITY (057+060+061+067+068-069+070-071)	056	3,617,655	3,460,454	104.54
I.	Called-up capital (058-059)	057	1,965,441	1,965,441	100.00
1.	Share capital	058	1,965,441	1,965,441	100.00
2.	Uncalled capital (as deduction item)	059			
II.	Capital surplus	060	259,795	258,722	100.41

III.	Profit reserves (062+063-064+065+066)	061	196,545	196,545	100.00
1.	Legal reserves	062	196,545	196,545	100.00
2.	Reserves for own shares and interests	063	59,622	61,351	97.18
3.	Own shares and interests (as deduction item)	064	59,622	61,351	97.18
4.	Statutory reserves	065			
5.	Other profit reserves	066			
IV.	Revaluation surplus	067			
V.	Retained net profit	068	951,959	447,431	212.76
VI.	Retained net loss	069			
VII	Net profit for the fiscal year	070	147,806	504,528	29.30
	Net profit for the fiscal year attributed to minority owners		8,679	17,599	49.32
VII	Equity of minority owners	071	87,430	69,831	125.20
I.	Consolidation adjustment of equity			357	0.00
B.	ALLOCATIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE (073+074)	072	546,156	573,839	95.18
1.	Allocations	073	12,036	14,622	82.31
2.	Long-term accrued costs and deferred revenue	074	534,120	559,217	95.51
C.	LONG-TERM LIABILITIES (076+080+084)	075	1,219,753	940,614	129.68
I.	Long-term financial liabilities (077 do 079)	076	1,219,753	938,429	129.98
1.	Long-term financial liabilities to companies in the group	077			
2.	Long-term financial liabilities to banks	078	1,219,753	938,429	129.98
3.	Other long-term financial liabilities	079			
II.	Long-term operating liabilities (081 to 083)	080	0	2,185	
1.	Long-term operating liabilities to companies in the group	081			
2.	Long-term operating liabilities to suppliers	082			
3.	Other long-term operating liabilities	083		2,185	
III.	Deferred tax liabilities	084			
Č.	SHORT-TERM LIABILITIES (086+087+091)	085	1,226,022	1,272,957	96.31
I.	Liabilities included in groups for disposal	086			
II.	Short-term financial liabilities (088 to 090)	087	591,725	580,357	101.96
1.	Short-term financial liabilities to companies in the group	088			
2.	Short-term financial liabilities to banks	089	591,725	567,488	104.27
3.	Other short-term financial liabilities	090		12,869	
III.	Short-term operating liabilities (092 to 094)	091	634,297	692,600	91.58
1.	Short-term operating liabilities to companies in the group	092			
2.	Other short term liabilities to suppliers	093	250,312	268,076	93.37
3.	Other short-term operating liabilities	094	383,985	424,524	90.45
D.	SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUE	095	181,464	184,393	98.41
	Off-balance-sheet liabilities	096			



datalab

Datalab Tehnologije, d. d.
Koprska cesta 92, SI-1000 Ljubljana
t. +386 1 252 89 00, f. +386 1 252 89 10
info@datalab.si, www.datalab.si